

**Remarks by Karen Rae  
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**Before The**

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- Richard (Dodd), thank you for that kind introduction. I'm glad to be here with so many friends and familiar faces. [\(Governor Patterson and Congresswoman Slaughter are speaking at the luncheon before your panel, so please recognize them if they stay\).](#)
- As many of you know, I have spent a good deal of my career here in New York, including my most recent job prior to joining FRA as Deputy Commissioner of Policy and Planning at NYSDOT. So it's no exaggeration to say that coming here feels a little bit like coming home.
- And it's great to be joined at this workshop by representatives of NYSDOT, APTA, Amtrak and the private sector. This underscores one of the most important points I want to make today: we're all in this together, and we all need to work together to reach our common goals.
- When President Obama announced the availability of \$8 billion for high speed rail development and another \$1.3 billion for Amtrak – and Congress followed suit with additional funding – FRA was immediately transformed. What was a fairly low-profile agency mostly focused on rail safety issues is now charged with funding and overseeing one of the most exciting federal infrastructure projects in our lifetime.
- President Obama's vision of high-speed passenger rail is based on a series of strategic transportation goals:

- Building a foundation for economic competitiveness
- Ensuring safe and efficient transportation choices
- Promoting energy efficiency and environmental quality
- Supporting interconnected livable communities.
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Up till now, high speed intercity passenger rail was not supported as a national transportation policy or funding priority. Subsequently, a historic level of investment and support launched the program, transforming it into a transportation priority that helps address the nation's transportation challenges by strategically investing in a comprehensive passenger rail network that connects regions and complements our transportation network.

- As you know, this represents enormous opportunity for many of you here today, but also significant challenges. Not surprisingly, when we opened up the application process for the first round of funding, we received requests for far more money than we had to disburse -- \$57 billion in requests for \$8 billion of funding.
- How did we decide which projects to fund? Our number one objective was to fund projects with the best chance of success. In many instances, these were projects where multiple jurisdictions – whether within a state or among a collection of states – committed to working together.
- The Midwest is a great example of this kind of multi-state cooperation, and North Carolina and Virginia have similarly joined together on a plan to push high-speed rail from North Carolina all the way to Washington, DC.
- To date, New York State's seven selected HSIPR projects total approximately \$150 million, which is just the beginning.
- When New York's system is further built out, a new study by the Conference of Mayors just released today shows Albany will be the

beneficiary of up to \$2.5 billion per year in new business, including up to \$1.4 billion per year in GRP growth and up to 21,000 jobs.

- Additionally, HSR's projected larger flow of passengers will lead to increased tourism and business travel, generating additional spending at local hotels, restaurants and retail stores to the tune of more than \$100 million in the Albany-Saratoga area
- FRA has established a "fast track" to expedite projects that require relatively little additional work through the grant process, and four of New York's seven projects fall into this category: Buffalo-Depew Station, repairs to Rochester Station; and installation of a second track at Ballston Spa.
- The progress we're making can be seen in the Statements of Work we've received from all four of these fast track projects. We've issued cooperative grant agreements for the Empire Corridor planning study and for the Buffalo-Depew Station repairs.
- We're also working with the State to finalize the SOWs for the remaining two fast track projects and collect all other required documents needed for the respective grant agreements.
- At the same time, we're also working with New York State to progress the other three HSIPR selections that have not met fast track requirements. By and large, these projects have characteristics that are more complex than others, but we will work together to ensure that they are appropriately designed and implemented.
- We understand that the most important thing we can do is get actual dollars out the door and flowing from Washington to the projects so that work can begin. And we're doing just that. We're getting the initial \$8 billion in Recovery Act funding to the states as quickly as possible.

- But let's not forget that this is just the beginning. As I mentioned, Congress appropriated an additional \$2.5 billion for the HSIPR program, and FRA is currently accepting applications for these FY 2010 funds, as well as approximately \$65 million in FY 2009 funds.
- So there are multiple opportunities for New York State to continue receiving federal funds from FRA. But let me share with you some "rules of the road" that will help you in your efforts to win funding:
  - **1<sup>st</sup> -- Know and follow the guidance in PRIIA** (this information is available on our website at [www.fra.dot.gov](http://www.fra.dot.gov)). We plan to use the same evaluation criteria as we used in Round 1, established by PRIIA; know these guidelines inside and out if you want to be successful.
  - **2<sup>nd</sup> -- Stay in touch with your Customer Service Lead.** This person should be your liaison -- ask him or her any questions you have about applying.
  - **3<sup>rd</sup> -- Listen to our prior feedback.** States that were not awarded funding in the first round were given specific feedback. Additionally we have continued to work with states during our post-application submission conference calls.
  - **4<sup>th</sup> -- Communication must be both ways.** We continue to have bi-weekly conference calls with state DOTs. Get on those calls, ask questions, and provide feedback as necessary, and talk to your freight railroads and other partners.
- And I think one of the most important suggestions I can give to New York State in particular is to move forward collaboratively, with one vision for the regional and Northeast corridor. We're looking for projects that will have maximum geographic impact and improve the lives of the most people. By collaborating more with your regional partners, you will position New York State better for future rounds of funding.

- We also understand that we have an obligation to constantly listen to feedback and improve the application process, and one thing we heard repeatedly is that our process could be more collaborative as well. That's why FRA will work with you to develop the project contained in your application materials. The goal is to do more work together up-front, reducing uncertainty in the review process and expediting the post-selection award process.
- We also heard that the "quiet period" after application deadlines made it difficult to understand where things stood. While FRA can't discuss final applications while they are under review, we are considering a "draft" application submission that will allow for some feedback.
- And, we've heard quite often both FRA and our state partners lack the capacity necessary to build and run these ambitious programs, which we're addressing by adding staff at FRA and working collaboratively with states to help meet their needs.
- This is an ideal time for us to have this dialogue. Although the first round of funding has been assigned and is now being disbursed, we expect to receive the next \$2.5 billion appropriation from Congress in the very near future. So there's a lot of opportunity just around the corner.
- I am eager to take your questions, so let me close by saying that we're excited by the early progress we're making on the President's high speed rail initiative, and working diligently to learn from these early efforts and constantly improve our process. And with my background in New York State, I understand well the unique history and challenges that you have in the transportation sector.
- I am here, as is the entire FRA staff, to help you navigate the funding process so that we can ultimately work together to build projects that

will move people, goods and our economy forward for generations to come.